

VOLUNTEERS FOR YOUTH JUSTICE

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2012

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

VOLUNTEERS FOR YOUTH JUSTICE

Table of Contents

June 30, 2012

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	Exhibit A 2
Statement of Activities	Exhibit B 3
Statement of Cash Flows	Exhibit C 4
NOTES TO FINANCIAL STATEMENTS	5 - 7
SUPPLEMENTAL INFORMATION:	
Schedule of Revenue and Expenditures - TANF Grant	8
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT</u> <u>AUDITING STANDARDS</u>	9 - 10
SCHEDULE OF FINDINGS	11
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS	12



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Volunteers for Youth Justice
Shreveport, Louisiana

I have audited the accompanying statement of financial position of Volunteers for Youth Justice (a non-profit organization) as of and for the year ended June 30, 2012. These financial statements are the responsibility of Volunteers for Youth Justice's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteers for Youth Justice as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 20, 2012 on my consideration of Volunteers for Youth Justice Inc's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of revenue and expenditures - TANF grant listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. This schedule had been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Marsha O. Millican

Certified Public Accountant
December 20, 2012

810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

VOLUNTEERS FOR YOUTH JUSTICE

Statement of Financial Position

June 30, 2012

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 82,200
Contracts Receivable	93,310
Other	<u>22</u>

Total Current Assets	175,532
----------------------	---------

PROPERTY AND EQUIPMENT (NET)	14,282
------------------------------	--------

OTHER ASSETS

Assets Restricted for Endowment	245,336
Deposits	<u>450</u>

Total Other Assets	<u>245,786</u>
--------------------	----------------

Total Assets	<u><u>\$ 435,600</u></u>
--------------	--------------------------

LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	\$ 9,222
Payroll Taxes Payable	14,496
Deferred Revenue	<u>22,500</u>

Total Current Liabilities	<u>46,218</u>
---------------------------	---------------

Net Assets:

Unrestricted	144,046
Permanently Restricted	<u>245,336</u>

Total Net Assets	<u>389,382</u>
------------------	----------------

Total Liabilities and Net Assets	<u><u>\$ 435,600</u></u>
----------------------------------	--------------------------

The accompanying notes are an integral part of this statement.

VOLUNTEERS FOR YOUTH JUSTICE

Statement of Activities

For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 105,636	\$ -	\$ -	\$ 105,636
Grants	-	581,029	-	581,029
Program Service Fees	430,020	-	-	430,020
Unrealized Gains	-	-	14,323	14,323
Miscellaneous	4,014	-	7,693	11,707
	<u>539,670</u>	<u>581,029</u>	<u>22,016</u>	<u>1,142,715</u>
Total Support and Revenues				
Net Assets Released from Restrictions:				
Satisfaction of Usage Restrictions	581,029	(581,029)	-	-
	<u>1,120,699</u>	<u>-</u>	<u>22,016</u>	<u>1,142,715</u>
Total Support and Revenue				
EXPENSES				
Program Expenses	1,029,997	-	-	1,029,997
Management and General	116,654	-	1,849	118,503
Unrealized Losses	-	-	19,230	19,230
	<u>1,146,651</u>	<u>-</u>	<u>21,079</u>	<u>1,167,730</u>
Total Expenses				
Change in Net Assets	(25,952)	-	937	(25,015)
Other Expenses	-	-	-	-
Net assets, beginning of year	169,998	-	244,399	414,397
Net assets, end of year	<u>\$ 144,046</u>	<u>\$ -</u>	<u>\$ 245,336</u>	<u>\$ 389,382</u>

The accompanying notes are an integral part of this statement.

VOLUNTEERS FOR YOUTH JUSTICE

Statement of Cash Flows

Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (25,015)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,241
Changes in assets and liabilities:	
Increase in contracts receivable	(20,363)
Increase in other current assets	(22)
Increase in accounts payable	2,611
Decrease in payroll taxes payable	(4,492)
Increase in deferred revenue	<u>2,500</u>
Net cash provided by operating activities	<u>(40,540)</u>

CASH FLOWS USED BY INVESTING ACTIVITIES:

Net change in assets restricted for endowment	(937)
Purchase of fixed assets	<u>(2,947)</u>
Net cash used by investing activities	<u>(3,884)</u>
Net increase in cash	(44,424)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>126,624</u>
--	----------------

CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 82,200</u>
--	------------------

The accompanying notes are an integral part of this statement.

VOLUNTEERS FOR YOUTH JUSTICE

Notes to Financial Statements

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Volunteers for Youth Justice is a nonprofit organization exempt for Federal income tax purposes under Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

B. Nature of Activities:

Volunteers for Youth Justice is a community volunteer based agency which provides services and resources to youth and their families who have come into contact with either area law enforcement or the courts. Volunteers for Youth Justice programs include the following.

Volunteers lead workshops at night and on weekends for adjudicated youth who have been referred by area courts to participate in the JUMPSTART Program. Volunteers continued to work with some graduates of the JUMPSTART Program who go on to participate as Peer Leaders.

Volunteers are also trained as Court Appointed Special Advocates (CASAs) for abused and neglected children who have been adjudicated Child in Need of Care. They are appointed to these cases by area judges until the child is placed in a safe, permanent home.

Volunteers for Youth Justice operates the Teen Court which provides diversion from the regular court process for minor first offenders in a court-like setting administered by other teens with adult supervision.

Families in Need of Services (FINS) is an intervention program for families on the verge of crisis due to the ungovernable behavior of a child or adolescent.

Volunteers for Youth Justice is supported by program revenue services, public and private funds including federal and state grants, private foundations, churches, and individual contributions.

C. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

D. Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification, the single source of authoritative accounting principles generally accepted in the United States of America (US GAAP). Under the Codification, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(Continued)

E. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to ten years.

G. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net asset are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

H. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Grants Receivable:

Grants receivable at June 30, 2012 are as follows:

Louisiana Judicial Branch (TANF)	\$ 35,106
City of Shreveport	30,000
FINS	23,460
Other	<u>4,744</u>
Total	<u>\$ 93,310</u>

All grants receivable at June 30, 2012 are fully collectible.

3. Donated Material and Services:

Volunteers for Youth Justice received various in-kind contributions during the year. In-kind contributions consisted primarily of the time donated by volunteer workers and space and utilities donated by First Presbyterian Church. No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services and the donated services do not create a nonfinancial asset; however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services. No amounts have been reflected in the statements for donated space and utilities because these donations do not create a nonfinancial asset.

(Continued)

4. Assets Restricted for Endowment:

Assets restricted for endowment at June 30, 2012 consisted of the following on deposit at the Community Foundation of Shreveport-Bossier at market value:

Cash and Equities	<u>\$ 245,336</u>
-------------------	-------------------

Net unrealized gains were \$14,323 and net unrealized losses were \$19,230.

FASB Codification Topic 820, Fair Market Value Measurements and Disclosure requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included the following level valuations: Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume), Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and Level 3 valuations are based on observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgement or estimation. Fair market value of assets are measured on Level one basis.

5. Property and Equipment:

Property and Equipment consists of the following:

Furniture and Equipment	\$100,395
Less Accumulated Depreciation	<u>(86,113)</u>
Property and Equipment - Net	<u>\$ 14,282</u>

6. Rental Commitments:

The Company rents office space under operating leases for two of its locations. Rent expense for the year ended June 30, 2012 totaled \$10,050.

7. Retirement Plan:

The Company maintains a retirement plan for its employees. The Company contributes 3% of eligible wages. Contributions for the year ended June 30, 2012 totaled \$3,244.

8. Subsequent Events:

Management has evaluated subsequent events through December 20, 2012, the date the financial statements were available to be issued, and determined that no additional disclosures are necessary.

VOLUNTEERS FOR YOUTH JUSTICE

Schedule of Grant Revenue and Expenditures - TANF Grant

For the Year Ended June 30, 2012

REVENUE:	\$ 402,496
EXPENDITURES	
Salaries	237,603
Fringe	23,924
Professional Services	8,086
Operating Services	24,576
Travel	17,270
Training	6,897
Equipment	-
Supplies	7,037
Printing and Copying	4,245
Administrative Costs	<u>72,858</u>
Total expenditures	<u>402,496</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>

No audit fees were paid with TANF funds.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Volunteers for Youth Justice
Shreveport, Louisiana

I have audited the financial statements of Volunteers for Youth Justice as of and for the year ended June 30, 2012, and have issued my report thereon dated December 20, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Volunteers for Youth Justice's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected on a timely basis.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Volunteers for Youth Justice's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641 9

This report is intended solely for the information and use of management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, reading "Marsha D. Mulligan".

Certified Public Accountant
December 20, 2012

VOLUNTEERS FOR YOUTH JUSTICE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

There were no findings for the year ended June 30, 2012.

VOLUNTEERS FOR YOUTH JUSTICE
Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2012

FINDING 2011-1: The Company did not file its financial statements with the Legislative Auditor within the time frame required by state law.

STATUS: Resolved.

FINDING 2011-2: The Company was not in compliance with National CASA Association standards.

STATUS: Resolved.